

Income Maintenance Advisory Committee

Division of Economic Support

M I N U T E S

Updated 10-15-01

Thursday August 23, 2001

1:00 – 3:00 p.m.

State Capitol Building
Room 225NW
Madison, Wi

County Attendees: **Jackie Bennett**, Racine Co. WDC, **Lynn Blenner**, Calumet Co. DHS, **Jill Erickson**, Milwaukee Co. DHS, **Joanne Faber**, Washington Co. DSS, **Liz Green**, Dane Co. DHS, **Jane Huebsch**, Marathon Co. DSS, **Ed Kamin**, Tri-Chair, Kenosha Co. JC, **Robert Macaux**, Florence Co. DHS, **Nan Pahl**, Brown Co., **Sheryl Siegl**, Winnebago Co.

State Attendees: **Jim Bates**, ASD/Finance, **Dave Edie**, DWC/OCC, **Ginevra Ewers**, BWSP Contract Unit, **John Haine**, DHCF/BHCE, **Essie Herron**, BPS/ROS, **Joan Larson**, BDWS, **Gerry Mayhew**, DWS Training; **Mike McKenzie**, DWS/ONSPI, **Ann Marie Ott**, DHCF/BHCE, **Jodi Ross**, BDS/Grants & contract Mgmt., **Marilyn Rudd**, BWSP/ONSPI, **Shawn Smith**, BWSP, **Judy Steinbice**, Rock Co., **Cindy Sutton**, Rock Co., **Susan Wood**, DHFS/DHCF, and **Rick Zynda**, BWSP/ONSPI.



General Administrative Announcements

Ed Kamin, IMAC Tri-Chair, noted that our minutes are the only formal record of our meetings and we have neglected to use Roberts Rules in that regard. He asked for comments or corrections on the July meeting minutes, none given, approved and seconded. Minutes will stand as written.

Ed Kamin also asked the committees' preference for holding the October meeting in Door County? It was unanimously agreed, by hand vote, that it will be moved to Door County, and held on Thursday, October 18, 2001. Information relating to room accommodations will be shared with IMAC members in early September.

The IMAC meetings usually run past the allotted end time of 3:00. Ed Kamin requested that we change the meeting time from 1:00 – 3:00 to 1:00 – 3:30. You will note the September meeting times reflect that change.

TECHNICAL ASSISTANCE COMMITTEE (TAC)

Ed Kamin noted that the morning meeting was again taken up with a workload discussion from the sub-committee and this month also was devoted to the new IM contract language relating to performance standards, application of the FS Error Rate multiplier, and customer satisfaction.

The workload study committee also reviewed administrative allocations for the 2002 contracts as well as other language issues. Administrative topics covers the options agencies have in service delivery for IM – appointments, reviews, change reporting, etc. Susan Wood is going to take a first crack at developing a spreadsheet to clarify different levels and options available to agencies and then the sub-

committee will go from there.

It appears there may be some redundancy in workgroups and TAC would like to assist in developing greater coordination of effort ; some of the known workgroups are – Program Simplification, Error Reduction, WSSA. An effort will be made to compile a list of all current workgroups and then update their charges. Susan will list all the groups and members that she is aware of and at the next meeting of TAC work will begin toward development of a Steering committee. The Steering Committee will work toward prevention of workgroup duplication and assist in bringing priorities forward.

The Error Reduction Committee brought the issue of enhancements for “alerts” to an earlier IMAC meeting. While workers have frequently identified this as a workload issue it has not managed to receive a high priority on the CARES calendar. In this morning's discussion several options were discussed – i.e. there would be no automated alerts, alerts would be worker driven. Another course of action would be to move alerts to a higher priority sooner than projected in our earlier discussion.

CARES “To Do” list would also be good to look at and sort by case level issues versus management issues.

DWD and DHFS want to assure that program business needs drive changes to CARES. What is the current need? How does that meet/affect earlier decisions? A staff group is analyzing how business requirements have changed since CARES was designed to assist in the strategic planning – the draft report will be shared with the TAC in about a month.

Rick Zynda commented that the newer issue of Customer Service also impacts the agency workload. From the worker's perspective the task of delivering programs – i.e. Medicaid cards related to SSI – manual process, explanation of process to client, etc. - has a workload impact.

Community Aids Reporting System (CARS) (Please see Attachment I)

Kipp Sonnentag, DWD/ASD/Bureau of Finance Controller, and Jerry French, ASD Project Manager addressed the issues surrounding our current financial accounting system, CARS, as referenced in the 2002 IM contracts.

Reporting to CARS is still in the immediate future. Analysis of all the current accounts payable systems – RAPIDS, RAP WEB, CARS , etc. will begin in September. It is assumed, for the moment, that if there are any impacts to CARS it will be to retain the functions it currently has and upgrade it to a new platform. An upgrade would allow more flexibility and add more reporting features.

No decisions will be made in a vacuum. A list of all county fiscal contacts is being assembled, and over the next four to six weeks more formal workgroups will be established to analyze needs and potential changes. The earliest timeframe for implementation of changes would be completed in a phased in approach beginning in January 2003.

The transfer of the Food Stamp Program to the Department of Health and Family Services will have an impact on some of the conclusions drawn in this process. With the FSP transfer - How many CARS lines will DWD need to retain? Will DWD's use be sufficient to drive changes to CARS? These issues have just begun to be addressed.

Additionally, the federal Division of Cost Allocation has required an approved cost allocation methodology from DWD, the last approved plan is from 1996. It is important to remember that this is a federal cost claiming issue, not a workload issue.

Both DWD and DHFS are responsible for having approved cost allocation plans. The two Departments

met last week to begin discussing the issues surrounding cost allocation claiming. They are jointly compiling a list of all agency fiscal staff to elicit input. A formal communication will be coming out soon and a survey will be created for all local agency providers. Please complete them as quickly as possible. Since some agencies provide both the IM and W-2 programs you may receive two survey forms. It is important to recognize and capture those agencies that cross programs.

The question of a standardized reporting system across Departments was raised. Wouldn't DOA lead that initiative? Kipp's response was that DOA is considering soliciting the federal government, with other states, to standardize federal reporting. The technology is there.

MA & "SeniorCare" (RX Assistance) Update

MA policy issue: In the question of Blumer vs Leaan (spousal impoverishment) – DHFS was challenged and lost in their appeal to the Circuit and the State Supreme Court. The State's case will be heard by the Supreme Court in December 2001/January 2002. The State has not changed their policy due to the litigation. If a client requests a Fair Hearing the decision is based on the current state court decision.

Budget Impact: DHCF/BHCE has been moving ahead on anticipated approval of requested budget changes:

- ❖ October 1st – No asset test for any Family Medicaid
- ❖ January 1, 2002 – there will be information sent to agencies regarding the "Well Woman Program" relating to women who have been diagnosed with breast or cervical cancer. A one page application sent to IM agencies would begin the eligibility process as quickly as possible.
- ❖ Food Stamp Program transfer – the two Departments are developing a plan which, in a month or so, will be ready to be shared with this group for feedback.

"SeniorCare" (Please see Attachment II)

This is a state-funded program, State GPR of \$2 million dollars and \$20 enrollment fees from applicants. The targeted begin date for the "SeniorCare" Program is September 1, 2002.

No decisions on "how" the program will be administrated have been made; it is still very preliminary. It has been proposed that it be a mail-in, one page application form sent to a center operated by the State. Applications may be accepted prior to September 1st 2002. Potentially one-year reviews will be completed by local agencies, if administrative dollars are available. Again, these are beginning discussions.

DHCF is considering using CARES to support eligibility and enrollment functions.

There will be outreach with the help of community-based agencies and local government. The state hopes to create a pre-screening form that will be available at: <http://www.wisconsin.gov/state/home> to assist people in deciding if they're eligible and interested.

Medicaid/BadgerCare Simplification

The Bureau of Health Care Eligibility (BHCE) is requesting feedback on the new simplified application and reduced verification initiatives including the support and preparation provided by the State. The next focus will be for the Elderly/Blind/Disabled population.

BHCE wants to learn lessons from this July 1 implementation. It is being closely monitored but the sense remains that, ultimately, it should be less time consuming and more customer friendly.

John Haine said he's getting input from the Call Center, IMAC members and individual agencies and they are trying to identify needs for modifying the current process. The one page application form will be adapted. Some feedback has indicated that there needs to be some client contact due to the need for more information than provided on the forms.

Ed Kamin suggested emailing John any "lessons learned", what has worked and what hasn't. BHCE would appreciate case specific information when possible to help them get a handle on the number processed, and how many need to be re-worked. Please email John within the next three weeks with comments: hainejj@dhfs.state.wi.us.

Ann Marie Ott, DHCF/BHCE, also suggested faxing in any examples of incomplete forms with an idea of how many you receive. The fax number is: 608-261-6861.

2002 IM Contract & Child Care Contract Status

Ginevra Ewers presented a handout concerning the 2002 IM Contracts. It is a summary of the major areas of discussion and the conclusions reached at an earlier meeting. A refining of the IM/W-2 case to include all program categories that an agency works with.

Changes to "Customer Satisfaction" have been made, the IMAC has not read those changes but they were based on the meeting. The Customer Service Plan can be the same as one you currently have in place, which was based on Administrative Memo requirements. It should be shared with the regional contract manager within thirty (30) days.

Section 4.2.1, sharing feedback with the Department to close the loop is different. This gives the agency and opportunity to report what happened, how the issue was addressed and the resolution.

Section 4.4.2 resulted in a lively discussion over the number of requested reports to be submitted to central office. The state needed contract language addressing how often reporting would be required. Ginevra suggested "will share feedback" in 4.2.1 be changed to "share written feedback" and eliminate 4.2.2.

The question of what the Department would do if an agency was out of compliance was raised. The response was that the contract manager could require corrective action.

Other changes which were discussed previously –

CARS replacement - "other systems" will be used in place of a name
Dispute language – amended to "resolution or date of resolution"
Multiplier for APEs – reduced from 80 to 76

Child Care Contract –

State Child Care funding
Customer Service language repeated
Performance Standards included

One of the biggest changes will be in regard to overpayments. The Child Care Office wants to work cooperatively with local agencies to develop the message that while we want eligible individuals to be assisted, we also need to be good public managers of the money. DWD is planning a more extensive approach to monitoring to prevent or identify overpayments and is seeking a partnership between the Office of Child Care, DWS, Regional Offices and the county and tribal agencies.

Providers have the ability to key their own information into a payment system and some agencies feel that it takes a lot of the monitoring out of the hands of local agencies. The question raised was, "Does the State monitor those charges?" Dave Edie replied, "Whether reporting on paper or electronically, the county has to approve the payment before a check is issued."

Dave indicated that the contract provisions require counties to follow Child Care monitoring requirements which will be set forth in an Administrators Memo and an Operations Memo. The intent is that counties/tribes will develop monitoring plans and that the Office of Child Care will identify questionable cases for local administrative agencies to investigate.

Some IMAC members expressed concern about whether counties had sufficient fiscal resources to do a solid job of monitoring.

The information presented at this meeting, regarding both IM and Child Care contracts, will be finalized and shared, including a "draft" copy of the new contract, with the IMAC members and then, by the end of the week, it will be sent to everyone. If possible, signed contracts should be returned by the 1st of December but will be accepted until January 1, 2002.

DWD Budget Issues

Shawn Smith had another commitment so Marilyn Rudd read from her prepared document. There was not much new to report, Governor to deliver vetoes August 30th. Some "follow-up" items from the last meeting –

TANF grant to DPI for after-school programs (\$150K) was adopted
TANF \$ going to a sexual abuse program was **not** adopted

Food Stamp Update (Please see Attachment III)

Rick Zynda reported on his meetings with APHSA in Washington DC. The FS Act for 2002 is moving fast. Reforming the quality control system and program simplification, with few details, were the main focus. The APHSA workgroup set up meetings with the appropriate Senators and Representatives to lobby for the proposals they hope to see enacted. On average they were allotted twenty minutes with each of the congressman and presented condensed versions of their proposals.

On Friday the Bill was passed in the sub-committee and now has to be submitted to the House and Senate. 3.25 billion over 10 years, not a lot of money. It can't revamp much of the FS Program –

1. Simplify income definition
2. Standard deduction – based on family size
3. TANF – transitional FS – 6 months, same as MA
4. QC – more detail in paper handout
5. Credit for collections

Mike McKenzie didn't have new error rate material to handout but will at the September meeting. Some initiatives currently in the queue – FS Supervisors Forum, FS Error Reduction workgroup, CARES changes prioritized, prospective budgeting addressed by Ops memo, ETN.

ONSPI staff created a document summarizing activities in 2000 and found some very interesting statistics while developing their report –

255 working days in CY2000
308 program changes in DXBMs/Ops Memos
1.2 change per day

In the most recent National Error Rate data Wisconsin came in second highest, only California had a higher Error Rate. Our balance of State has come up some leaving us approximately where we were last year.

State staff will test the Food Stamp on-line manual over the next several months. Dave Hippler, lead for the on-line manual, has organized the system testing; it will include local agency staff.



Next meeting:

Date: October 18, 2001

Location: Door County Courthouse, Sturgeon Bay, WI

Attachment I

Analysis of DWD's Accounts Payable Systems

As a result of an evaluation which began last April to review how DWD would adopt the State of Wisconsin central accounting general ledger system called WiSMART, a review and analysis of DWD's accounts payable systems was also needed. This analysis will begin in September and includes the CARS accounts payable system along with two other accounts payable systems, RAPIDS and RAPWeb.

This project is affected by other changes that have occurred or that may occur in the future, such as the transfer of MA to DHFS and the current study to transfer FS to DHFS in July 2002. In addition, the Federal Department of Health and Human Services Division of Cost Allocation has been requiring DWD to adopt an acceptable methodology for allocating employee work effort across programs at local county and other DWD contract agencies. Until decisions are made on these changes, it is difficult to tell how DWD may be using CARS and the other accounts payable systems in the future. Therefore, any discussion at this time which indicates that we are replacing CARS is premature.

As we move forward to examine how we may use our accounts payable systems in the future, we have established some objectives:

- Maintain the same functionality, and look at upgrading systems where needed to provide more flexibility and additional alternative reporting.
- Include input from county and other DWD contract agencies. We are assembling a list of all the fiscal contacts by county and other contract agencies to begin a two way communication process. In addition, DHFS staff will be included.
- Earliest possible conversion, if any, to an upgraded system would be January 1, 2003. In addition, a phased in approach would probably be used based on contract renewal.

If you have any questions, please contact me at: 608-266-7272 or e-mail me at: sonneki@dwd.state.wi.us.

Kipp Sonnentag, Controller
Bureau of Finance
Department of Workforce Development

Attachment II

Senior Care Fact Sheet

August, 2001

What is SeniorCare? SeniorCare is a new prescription drug assistance program for Wisconsin residents who are 65 years of age or older who meet the eligibility criteria. Enrollees will pay an annual \$20 enrollment fee and will be responsible for the first \$500 of prescription drug costs per year. (Certain enrollees are exempt from the deductible requirement, and certain enrollees have a higher deductible requirement.) After meeting the \$500 deductible, enrollees will pay a co-payment for each prescription drug for the remainder of that 12-month period.

When will SeniorCare start? Benefit coverage will begin effective September 1, 2002. Applications will be available in the summer of 2002.

Eligibility Criteria:

Residency: Wisconsin residency.

Age: 65 years of age or older.

Income: Annual household income at or below 240% of the federal poverty level (FPL) (\$20,616 for an individual and \$27,864 for a two-person family in 2001). Note: Individuals with an annual household income exceeding 240% of the FPL can "spend down" to receive SeniorCare benefits by meeting an additional deductible equal to the amount that their income exceeds 240% of the FPL.

Assets: There is no asset test.

Other: Individuals with prescription drug coverage under other plans will be eligible to enroll, but SeniorCare will only cover eligible costs not covered under other plans. Individuals enrolled in Medicaid are not eligible for SeniorCare.

Enrollee Out-of-Pocket Costs:

Annual Enrollment Fee: \$ 20

Annual Deductible: \$500

Individuals with income at or below 160% of the FPL (\$13,744 individual; \$18,576 for family of two in 2001) are exempt from deductible obligation.

Individuals with income over 240% of the FPL must also meet a deductible equal to the amount their income exceeds 240% of the FPL.

Co-Payments after Deductible: \$ 15 per prescription for a brand name drug
\$ 5 per prescription for a generic drug

SeniorCare Benefits:

- SeniorCare covers medically necessary prescription drugs produced by manufacturers that enter into rebate agreements with the State.
- After the deductible has been satisfied, SeniorCare enrollees pay a \$5 or \$15 co-payment for the drugs covered by SeniorCare. SeniorCare pays pharmacies for the balance, up to the allowed amount.
- SeniorCare enrollees pay the SeniorCare allowed amount for covered drugs they obtain while in their deductible period. The allowed amounts are approximately 20% less than the standard retail rates. However, "spend-down" individuals will pay the retail rate charged by the pharmacy until they meet the income limit of 240% of the FPL.

Provider Network: All Wisconsin Medicaid-certified pharmacies will participate.

Provider Payment Rates: The payment rates for covered prescription drugs will be 105% of the amounts allowed by the Wisconsin Medicaid program. Pharmacist dispensing fees will be set at the amounts allowed by the Wisconsin Medicaid program.

Pharmaceutical Manufacturer Rebates: Manufacturers will be required to enter into rebate agreements with the State in order for their drugs to be covered by SeniorCare.

Funding for SeniorCare:

Administration: Up to \$2 million GPR in SFY 2001-2002 for implementation, subject to the approval of the Department of Administration and the Legislature.
Ongoing administration will be funded by enrollment fees.

Benefits: \$49.9 million GPR sum-certain for SFY 2002-2003.
(This amount assumes a September 1, 2002 start date. The Legislature assumed an annualized benefit cost of \$78 million.)
Rebate payments will also fund benefits.

Participation Estimates:

Projected number of individuals eligible for SeniorCare:	260,000
Projected number of individuals that will enroll:	160,000
Projected number of individuals at or below 160% FPL (exempt from deductible):	76,000

GPR funding is sum certain. If GPR funding budgeted for program benefits is insufficient to meet program needs, DHFS will continue accepting applications and determining eligibility. Applicants will be informed that program benefits are conditioned on availability of funding.

Examples of Estimated Savings for SeniorCare Enrollees:

Individual A	Individual B
Assumptions	
Individual has \$1,600 in annual drug costs. No prescription drug coverage under another policy. Household income above 160% FPL, but below 240% FPL. 16 prescriptions are filled after deductible (5 brand and 11 generic)	Individual has \$1,600 in annual drug costs. No prescription drug coverage under another policy. Household income below 160% FPL. 16 prescriptions are filled after deductible (5 brand and 11 generic)
Total Average Annual Prescription Costs for Example A: \$1,600	Total Average Annual Prescription Costs for Example B: \$1,600
Less: Out-of-Pocket Costs: Deductible - \$ 500	Less: Out-of-Pocket Costs: Deductible -0-
CoPayments	CoPayments
5 x \$15 for brand - \$ 75	5 x \$15 for brand - \$ 75
11 x \$ 5 for generic - \$ 55	11 x \$ 5 for generic - \$ 55
Annual Savings for Individual A: \$ 970	Annual Savings for Individual B: \$1,470

Attachment III

July 27, 2001

To: State Human Service Administrators

From: Elaine M. Ryan
Acting Executive Director

Re: **House Agriculture Committee Passes Food Stamp Reauthorization;
Anti-Hunger Groups Join APHSA in Calling for Reforms**

On July 26, the House Agriculture Committee approved the nutrition title of the farm bill (Title IV), which included reauthorization of the Food Stamp Program (FSP) and several significant policy changes. The extent of most of these changes is limited because the House was constrained by an allocation of only about \$3.25 billion in 10-year spending for the food stamp provisions. However, observers were still surprised that the House went as far as it did, particularly in light of its earlier plans to spend only \$2 billion on the FSP.

Highlights of the provisions follow; the full text is posted on committee's web site at <http://agriculture.house.gov/nutri.pdf>.

Section 401, Simplified Definition of Income. Allows for the exclusion from household income of deferred educational loans, grants, and veteran's educational benefits that are excluded under Medicaid and any income not considered under TANF and Medicaid. This is a modest but positive simplification provision that will help states reduce the workload of administering cases that receive both TANF and food stamps.

Section 402, Standard Deduction. Increases the FSP standard deduction, which will be calculated according to family size. This provides a significant benefit improvement to larger food stamp households, nearly all of whom have children.

Section 403, Transitional Food Stamps for Families Moving from Welfare to Work. Provides, at state option, for six months of transitional food stamp benefits for families leaving TANF. This is one of the key recommendations in APHSA's *Crossroads* policy proposal.

Section 404, Quality Control. (1) Applies fiscal sanctions only to states whose error rate has a 95% probability of being statistically valid for three consecutive years. This should substantially reduce the number of states being sanctioned in a given fiscal year. (2) Sets the tolerance rate at the national average plus 1 percent, rather than simply the national average as at present. (3) Provides that states with errors consistently above the tolerance may be "investigated" by USDA and must implement a resulting corrective action plan. (4) Provides bonuses for states with high performance in meeting the deadlines for completing applications and for having high rates of correctly completed denials and terminations. While short of the comprehensive outcome-based system of performance measures that states have advocated, these provisions represent a significant departure from present QC law and reduce the current negative effects of the QC system.

Section 405. Simplified Application and Eligibility Requirements. Requires USDA to provide \$10 million in annual grants to states to develop and implement programs that improve the food stamp application and eligibility determination process. These funds would likely be available for such purposes as automation improvements and centralized change reporting centers.

Section 406. Authorization of Appropriations. Reauthorizes the Food Stamp Act and other nutrition programs for 10 years, through FY 2011.

Several of these provisions are similar to those in two bills introduced earlier this year, S. 583/H.R. 2142, the Nutrition Assistance for Working Families and Seniors Act, and S. 940/H.R. 1990, the Act to Leave No Child Behind.

Other sections of the nutrition title reauthorize several commodity programs, including the Emergency Food Assistance Program (EFAP), and establish a Congressional Hunger Fellows Program. The committee expects to finish work on the entire farm bill before the August Congressional recess, although a House floor vote is not expected until after the break. The Senate will also begin work on its version of the farm bill after the recess.

There is no question that APHSA's proposals and influence had a substantial impact on the House Agriculture Committee as it formulated these food stamp changes, and I commend all of you for promoting the APHSA agenda with members of Congress. We should now be in a good position to achieve additional program reforms as the farm bill moves to the Senate. We will keep you updated on the next steps as they occur. In the meantime, I urge you to begin *immediately* contacting members of the Senate Agriculture Committee (list attached) and urging them to adopt the balance of the APHSA agenda; Senate staffers are working now on the issues and changes they will address in the farm bill.

I also want to bring to your attention an important statement (also attached) made jointly on July 24 by APHSA; America's Second Harvest, the nation's largest hunger relief charity; and the Food Research and Action Center (FRAC), a leading national anti-hunger organization. These groups have joined with us to recommend increased benefit levels, expanded program access, and simplified program administration. The statement urges the Administration and Congress to enact and appropriately fund these comprehensive legislative changes during this session as part of the program's reauthorization. As you may know, these anti-hunger groups are nationally prominent and very influential with national policymakers, and the joint statement has attracted widespread attention here in Washington. The statement formalizes the growing consensus among almost all those concerned with the FSP that the program must change now to retain its viability. Again, the work you have done on the state and local level to communicate and partner with these advocacy groups provided much of the underpinning for the realization of this agreement.

Thank you for your work so far on the critical issue of comprehensive food stamp reform, and thank you in advance for your sustained contact with the Senate Agriculture Committee in the coming weeks. If we can answer any questions, or assist with your contacts with the Senate, please contact me or Larry Goolsby at (202) 682-0100.